

CHAPTER 230

Finance Generally

230.01	Purchasing procedures.	230.04	Payment procedures.
230.02	Accounting system.	230.05	Assessment of taxes.
230.03	Budget control.	230.06	Bonds.

CROSS REFERENCES

Finance generally - see Mich. Const. Art. 9, Secs. 1 et seq.
Purchasing procedure - see CHTR. Sec. 40
Budget - see CHTR. Ch. VII, Sec. 171
Borrowing power - see CHTR. Ch. VIII
Utility moneys - see CHTR. Secs. 120 et seq.
Uniform accounting system - see CHTR. Sec. 161
Tax Assessors in home rule cities - see M.C.L.A. Sec. 117.3
Deposit of public funds - see M.C.L.A. Secs. 129.11 et seq.
Municipal bonds - see M.C.L.A. Secs. 132.2, 133.6, 135.7
Municipal Finance Act - see M.C.L.A. Secs. 133.5, 133.6
Collection of municipal income taxes - see M.C.L.A. Sec. 141.671
Public money - see M.C.L.A. Secs. 750.489 et seq.

230.01 PURCHASES AND CONTRACTS.

- (a) Purchasing Agent. The City Manager shall act as Purchasing Agent of the City in accordance with Section 40 of the City Charter. The City Manager shall establish detailed purchasing and contracting procedures. The City Manager may delegate the authority to issue purchase orders.
- (b) Competitive Bids. Competitive bids for all purchases and public improvements shall be obtained where practicable and contracts awarded to the lowest responsible bidders. The City Commission shall have the power to reject any or all bids if deemed by it to be to the advantage of the City. "Competitive bidding" means the process of soliciting vendor participation in the purchasing process to ensure fair and open competition.
- (c) Purchases or Contracts of \$7,000 or Less. The City Manager shall have the authority to contract, solicit, award or reject bids, and to expend money in conformity with the approved budget, which amount for any one transaction shall not be more than seven thousand dollars (\$7,000). A purchase order or a service order may be issued by the City Manager if there are sufficient funds available in the appropriation to which the purchase is chargeable. The City Manager may secure competitive quotations where practicable for the purchase of all items which, in his or her opinion, could be advantageously purchased through competition.
- (d) Purchases or Contracts Over Certain Dollar Amount. If the amount of the transaction is more than five thousand dollars (\$5,000), sealed competitive bidding shall be required, except in cases where it is determined by the City Manager that it is clearly to the City's advantage to contract without competitive bidding. If the amount of the transaction is more than seven thousand dollars (\$7,000), it shall be evidenced by written contract submitted to and approved by affirmative vote of five members of the City Commission.
- (e) Exceptions to Competitive Bidding. It is clearly to the City's advantage to not have

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competitive bidding and such bidding is not required in the following cases:

- (1) Pursuant to Section (d).
 - (2) When the Commission determines by an affirmative vote of five members that:
 - i. The public interest will be best served by purchase from or jointly with another unit of government.
 - ii. An emergency exists such as where a purchase is made or service obtained under extraordinary circumstances to protect the immediate health, safety, or welfare of individuals, to protect public property against loss or damage, or to prevent or minimize serious disruption of services; or
 - iii. The public interest will be best served without obtaining bids, such as in the employment of professional services.
- (Ord. 380. Passed 2-7-94. Ord.694. Passed 2-6-06. Ord. 772. Passed 10-15-07.)

230.02 ACCOUNTING SYSTEM.

- (a) Method. The accounting system of the City shall be in accordance with accepted principles of governmental accounting. The system shall provide records showing, at all times, by funds, accounts and other pertinent classifications, the amounts appropriated, the estimated revenues, the actual revenues or receipts, the amounts available for expenditures, the total expenditures, the unliquidated obligations, the actual balances on hand and the unencumbered balances of appropriations. However, accounts for Municipal public utilities or other self-supporting enterprises shall be maintained in accordance with standard commercial accounting principles and practices to produce accurate information as to net gain or loss from operations. Budgetary accounts are not required.
- (b) City Treasurer's Duties. The accounting system shall be centralized in the office of the City Treasurer where accounts shall be kept for all agencies and activities and where records of all financial transactions relating to all funds of the City shall be maintained. The City Treasurer shall exercise budgetary control over all appropriations to ensure that no obligation is incurred in excess of the available balance of the appropriation applicable thereto and to ensure that a proper pre-audit is made of all proposed expenditures. (1976 Code Sec. 2.03)

230.03 BUDGET CONTROL.

- (a) Authorization of Appropriations. After receipt of the proposed annual budget from the City Manager, and after its review and adoption as outlined in Sections 75 to 80 of the City Charter, the City Commission shall authorize appropriations in separate amounts for personal services, for other operating expenses and for capital outlays for each department or major activity financed from revenue funds for which appropriations are made.
- (b) Transfer of Appropriations. The City Commission may transfer any unencumbered appropriation balance or any portion thereof from one appropriation account to another within the same fund. The balance of any appropriation which has not been encumbered at the end of the fiscal year shall revert to unappropriated surplus of the fund from which it was appropriated and shall be available for appropriation the following fiscal year.
- (c) Certification of Available Funds. No contract, purchase order or other commitment document involving an expenditure from appropriations shall be issued or entered into unless the City Treasurer first certifies that there is available to the credit of the appropriation concerned an unencumbered balance to meet the obligation. Before so

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certifying, the City Treasurer shall encumber the proper appropriation with the amount of the contract, purchase order or other commitment document.

- (d) **Budget Stabilization Fund.** There is hereby established a Budget Stabilization Fund pursuant to Act 30 of the Public Acts of 1978, as amended (M.C.L.A. 141.441 et seq.; M.S.A. 5.3230(1) et seq.). Such Fund shall have the limitations and purposes as established by State law for each fiscal year beginning on July 1, 1981. Thereafter, the City Commission may appropriate to the Budget Stabilization Fund, by resolution adopted by a two-thirds vote of the members elected and serving thereon, all or part of any surplus in the General Fund resulting from an excess of revenue in comparison to expenses.

(1976 Code Sec. 2.04; Ord. 123. Passed 6-15-81.)

230.04 PAYMENT PROCEDURES.

- (a) Pre-Audit of Expenditures. The City Treasurer shall receive and examine all payrolls, vouchers, bills and other claims and demands against the City, and shall not issue payment therefor unless it is found by a diligent pre-audit that the claim is in proper form, correctly computed and duly approved; that it is justly and legally due and payable; that it is charged to the proper account; and that it is accompanied by certification of a responsible official of the department concerned that the goods or services listed therein have been actually received. If the City Treasurer finds a claim to be erroneous or otherwise invalid, payment shall not be authorized and an immediate report of the circumstances shall be made to the City Manager.
- (b) Preparation of Vouchers. Verified invoices shall be assembled in the office of the City Treasurer. Vouchers shall be prepared and recorded as expenditures against the account to which the same are properly chargeable.
- (c) Register of Expenditures. After recording approved claims as expenditures and preparing checks, the City Treasurer shall transmit to the City Clerk a register showing the payee, the amount and the fund to which the amount is to be charged.
- (d) Review of Register. The City Clerk shall review the register, may examine any vouchers and invoices and, upon approval, shall sign the checks.
- (e) Signing Checks. All moneys, except petty cash, shall be disbursed by check, which check shall be signed by the City Clerk and countersigned by the City Treasurer. However, payroll checks may be signed by the Deputy City Clerk.

(1976 Code Sec. 2.05)

230.05 ASSESSMENT OF TAXES.

Repealed

(Ord. 793. Passed 4-7-08)

230.06 BONDS.

In addition to special requirements for particular bonds, all bonds running to the City shall be corporate surety or cash bonds and shall be approved by the City Attorney and filed with the City Clerk.

(1976 Code Sec. 2.08)